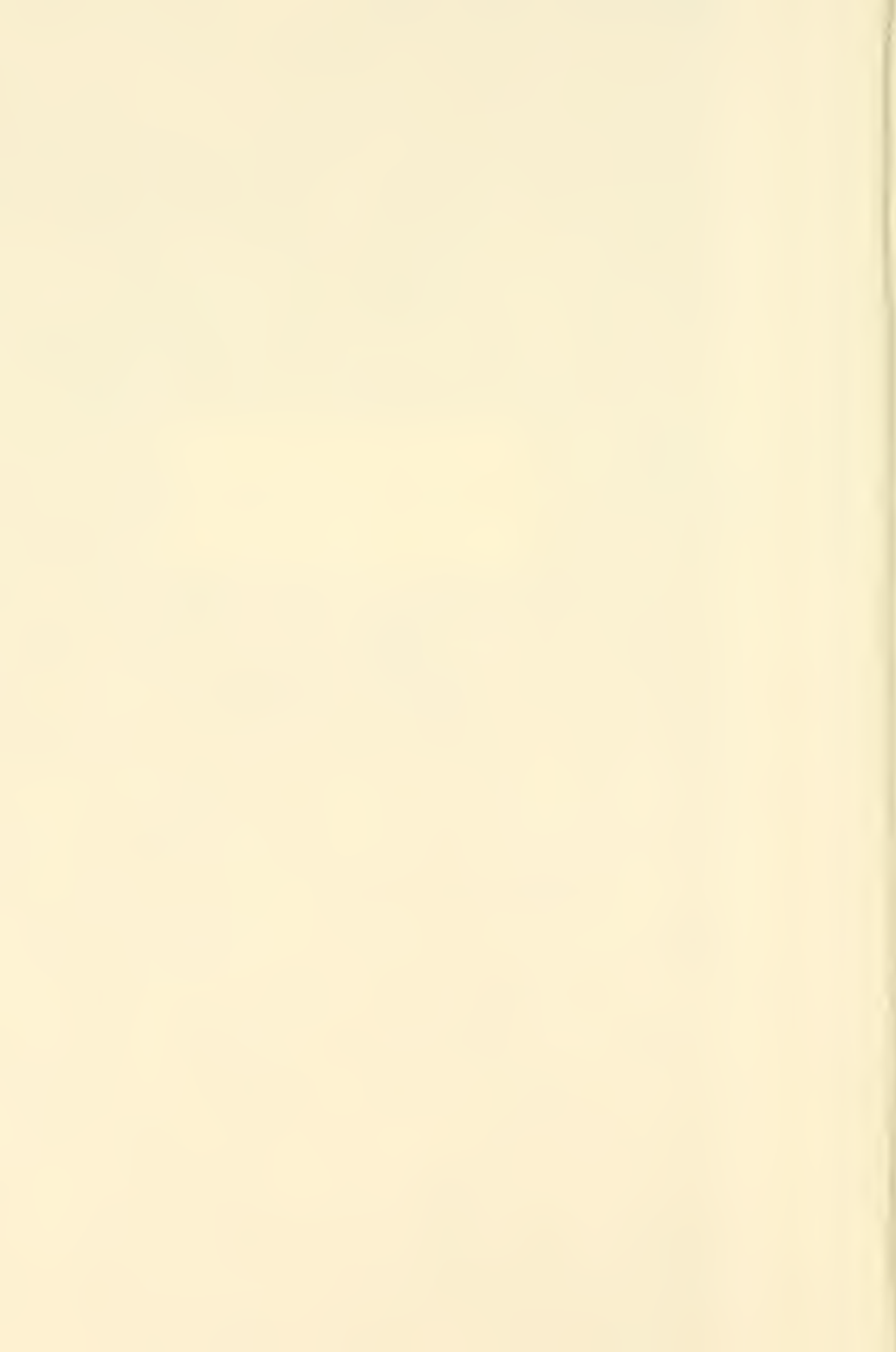






Regional Transportation Authority

Comprehensive Annual Financial Report December 31, 1990

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have audited the general purpose financial statements of the Regional Transportation Authority (Authority) as of and for the year ended December 31, 1990, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Regional Transportation Authority at December 31, 1990, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Regional Transportation Authority taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the Regional Transportation Authority. This supplemental information is the responsibility of the Authority's management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such statistical data.

Deloitte & Touche

April 5, 1991

REGIONAL TRANSPORTATION AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1990

ASSETS	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type		Account Groups		Total (Memorandum Only)
	General	Debit Service	Capital Projects		Agency	General	Fixed Assets	Long-Term Debt	
CASH AND INVESTMENTS (Note 6)									
Externally restricted	\$ 35,071,602	\$ 7,483,819	\$ 61,075,272	\$ 44,656,577					\$ 7,483,819
Restricted by RTA	156,127,637								140,803,451
Unrestricted									156,127,637
RECEIVABLES									
Sales tax	13,670,665				\$ 77,466,987				91,137,652
Interest on sales tax	23,164				131,261				154,425
Reduced fare reimbursement	20,846,677								20,846,677
PTF receivables	9,491,594								9,491,594
UWP receivables	38,884								38,884
Interest on investments	3,342,503	245,339	381,704	1,065,527					5,035,073
Interagency	52,086			2,700,000					2,752,086
Due from Metra (Note 11)	38,620,000								38,620,000
Due from other funds (Note 9)	1,238,051			66,379					1,304,430
Other	59,996								59,996
Prepaid expenses	80,101								80,101
Fixed assets - RTA (Note 7)						\$ 2,601,562			2,601,562
Fixed assets - TIC (Note 7)						2,269,375			2,269,375
Amount available in debt service fund								\$ 5,132,546	5,132,546
Amount to be provided for retirement of general long-term debt									
TOTAL ASSETS	<u>\$278,662,960</u>	<u>\$7,729,158</u>	<u>\$61,456,976</u>	<u>\$48,488,483</u>	<u>\$77,598,248</u>		<u>\$4,870,937</u>	<u>\$126,365,000</u>	<u>\$605,171,762</u>
								<u>\$121,232,454</u>	<u>\$121,232,454</u>

The accompanying notes to the financial statements are an integral part of this statement.

**REGIONAL TRANSPORTATION AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1990**

LIABILITIES AND FUND EQUITY

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Total (Memorandum Only)
	General	Debt Service	Capital Projects	Joint Self-Insurance	Agency	General Fixed Assets	Long-Term Debt		
LIABILITIES:									
Vouchers payable	\$ 2,850,956								\$2,850,956
Accrued operating assistance	15,467,090								15,467,090
New Initiative payable	1,044,485								1,044,485
Reduced fare payable	20,846,677								20,846,677
Capital assistance payable	9,364,539		\$ 3,955,089						13,319,628
Due to Service Boards:									
Sales tax due to CTA					\$39,189,955				39,189,955
Sales tax due to Metra					29,350,540				29,350,540
Sales tax due to Pace					8,926,492				8,926,492
Interest on sales tax to CTA					64,099				64,099
Interest on sales tax to Metra					51,161				51,161
Interest on sales tax to Pace					16,001				16,001
Due to other funds (Note 9)	66,379		59,601	\$1,178,450					1,304,430
Other liabilities:									
Accrued other expenses	2,098,543								2,098,543
Claims liability	2,818,214			200,000				\$126,365,000	3,018,214
General obligation bonds payable (Note 5)									126,365,000
TOTAL LIABILITIES	<u>54,556,883</u>	<u>0</u>	<u>4,014,690</u>	<u>1,378,450</u>	<u>77,598,248</u>	<u>0</u>	<u>126,365,000</u>		<u>263,913,271</u>
Commitments and Contingencies (Notes 4 and 10)									
FUND EQUITY:									
Contributed capital				46,000,000					46,000,000
Investment in general fixed assets						4,870,937			4,870,937
Retained earnings				1,110,033					1,110,033
Fund balance:									
Reserved for 87 and prior budgeted capital	32,569,168								32,569,168
Reserved for 88 and 90 budgeted capital	146,224,145								146,224,145
Reserved for debt service (Note 5)		\$7,729,158							7,729,158
Available for current appropriations	45,312,764		57,442,286						102,755,050
TOTAL FUND EQUITY	<u>224,106,077</u>	<u>7,729,158</u>	<u>57,442,286</u>	<u>47,110,033</u>	<u>0</u>	<u>4,870,937</u>	<u>0</u>		<u>341,258,491</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$278,662,960</u>	<u>\$7,729,158</u>	<u>\$61,456,976</u>	<u>\$48,488,483</u>	<u>\$77,598,248</u>	<u>\$4,870,937</u>	<u>\$126,365,000</u>		<u>\$605,171,762</u>

The accompanying notes to the financial statements are an integral part of this statement.

**REGIONAL TRANSPORTATION AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990**

	Governmental Fund Types			Total (Memorandum Only)
	General	Debt Service	Capital Projects	
REVENUES:				
Sales tax	\$66,616,501			\$66,616,501
Interest on sales tax	194,581			194,581
Federal operating assistance grant	49,946,848			49,946,848
PTF:	110,855,214			110,855,214
State reduced fare reimbursement	39,645,833			39,645,833
Investment income	16,885,426	\$621,387	\$3,415,869	20,922,682
JSIF investment income	2,061,955			2,061,955
Other grants and reimbursements	171,946			171,946
TOTAL REVENUES	286,378,304	621,387	3,415,869	290,415,560
EXPENDITURES:				
Operating grants	158,813,938			158,813,938
Capital grants	35,971,684		43,386,314	79,357,998
Metra excess sales tax	1,984,000			1,984,000
New Initiatives	1,648,377			1,648,377
Reduced fare reimbursement	39,645,833			39,645,833
Administration	4,844,856			4,844,856
Non-Administration:				
Travel Information Center	2,800,474			2,800,474
Other	3,522,297			3,522,297
Debt related:				
Principal		3,640,000		3,640,000
Interest		4,432,173		4,432,173
Other	1,141		2,587,269	2,588,410
Fixed assets additions	1,939,923			1,939,923
TOTAL EXPENDITURES	251,172,523	8,072,173	45,973,583	305,218,279
Excess (deficiency) of revenues over expenditures	\$35,205,781	(\$7,450,786)	(\$42,557,714)	(\$14,802,719)

REGIONAL TRANSPORTATION AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

	Governmental Fund Types			Total (Memorandum Only)
	General	Debt Service	Capital Projects	
OTHER FINANCING SOURCES (USES):				
Bond proceeds			\$100,000,000	\$100,000,000
Operating transfer in (out):				
Principal	(\$3,416,182)	\$3,416,182		
Interest	(5,431,412)	5,431,412		(2,500,000)
Contribution	(2,500,000)			
	<u>(11,347,594)</u>	<u>8,847,594</u>	<u>100,000,000</u>	<u>97,500,000</u>
TOTAL OTHER FINANCING SOURCES (USES)				
Excess of revenues and other financing sources over expenditures and other financing uses	23,858,187	1,396,808	57,442,286	82,697,281
Fund balance at beginning of year	<u>200,247,890</u>	<u>6,332,350</u>	<u>0</u>	<u>206,580,240</u>
Fund balance at end of year	<u>\$224,106,077</u>	<u>\$7,729,158</u>	<u>\$57,442,286</u>	<u>\$289,277,521</u>

The accompanying notes to the financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
COMBINED BUDGETARY BASIS STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

	A C T U A L					BUDGET
	General Fund	Debt Service Fund	Capital Projects Fund	Joint Self-Insurance Fund	Agency Fund	Combined Funds
REVENUES:						
Sales tax	\$66,616,501				\$377,493,508	\$464,795,000
Interest on sales tax	194,581				1,102,634	
Federal operating assistance grant	49,946,848					49,947,000
PTF	110,855,214					114,250,000
State reduced fare reimbursement	39,645,833					35,100,000
Investment income	16,885,426	\$621,387	\$3,415,869	\$841,876		9,000,000
JSIF investment income	2,061,955					2,000,000
Other grants and reimbursements	171,946					171,946
TOTAL REVENUES	286,378,304	621,387	3,415,869	841,876	378,596,142	675,092,000
EXPENDITURES:						
Operating grants	158,813,938					523,811,000
Capital grants	35,971,684				364,997,062	46,216,000
Metra excess sales tax	1,984,000		43,386,314			19,235,000
New Initiatives	1,648,377				12,496,446	3,766,000
Reduced fare reimbursement	39,645,833					35,100,000
Administration	4,844,856					5,755,973
Non-Administration:						
Travel Information Center	2,800,474					2,805,838
Other	3,522,297					7,389,056
Debt service:						
Principal		3,640,000				
Interest		4,432,173				
Other	1,141			19,552		
Sales Tax Interest to Service Boards			2,587,269		1,102,634	
Fixed asset additions	1,939,923					2,353,000
TOTAL EXPENDITURES	251,172,523	8,072,173	45,973,583	19,552	378,596,142	646,431,867
Excess (deficiency) of revenues over expenditures	\$35,205,781	(\$7,450,786)	(\$42,557,714)	\$822,324	\$0	\$28,660,133

REGIONAL TRANSPORTATION AUTHORITY
 COMBINED BUDGETARY BASIS STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

	ACTUAL					BUDGET
	General Fund	Debt Service Fund	Capital Projects Fund	Joint Self-Insurance Fund	Agency Fund	Combined Funds
OTHER FINANCING SOURCES (USES):						
Bond proceeds			\$100,000,000			\$100,000,000
Operating transfers in (out):						
Principal	(\$3,416,182)	\$3,416,182				(\$4,110,727)
Interest	(5,431,412)	5,431,412		\$2,500,000		(5,814,611)
Contribution	(2,500,000)					(2,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	(11,347,594)	8,847,594	100,000,000	2,500,000	0	(12,425,338)
Excess of revenues and other financing sources over expenditures and other financing uses	\$23,858,187	\$1,396,808	\$57,442,286	\$3,322,324	\$0	\$16,234,795

The accompanying notes to the financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

Operating Revenues:	
Investment income	Joint Self- <u>Insurance Fund</u>
	\$841,876
Operating Expenses:	
Professional fees	<u>19,552</u>
Net Income	822,324
Retained earnings at beginning of year	<u>287,709</u>
Retained earnings at end of year	<u><u>\$1,110,033</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990**

	<u>Joint Self- Insurance Fund</u>
Cash Flows from Operating Activities:	
Net Income	\$822,324
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease in interest receivable	24,697
Decrease in due from General Fund	36,051
Increase in due to General Fund	<u>227,306</u>
Net Cash Provided by Operating Activities	<u>1,110,378</u>
 Cash Flow from Financing Activities:	
Capital contribution	2,500,000
Payment of claims liability	<u>(2,500,000)</u>
Net Cash Provided by Financing Activities	<u>0</u>
Net Increase in Cash and Investments	1,110,378
Cash and Investments at beginning of year	<u>43,546,199</u>
Cash and Investments at end of year	<u><u>\$44,656,577</u></u>

The accompanying notes to the financial statements are an integral part of the this statement.

**REGIONAL TRANSPORTATION AUTHORITY
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990**

NOTE 1 - REPORTING ENTITY

The Regional Transportation Authority (RTA) was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois region. The operating responsibilities of the RTA are set forth in the RTA Act. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. However, in 1983 the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning and oversight entity. The reorganization placed all operating responsibilities in the Chicago Transit Authority (CTA) and two operating divisions of the RTA: A Commuter Rail Division ("Metra"), and a Suburban Bus Division ("Pace"), each having its own independent board. These divisions conduct operations and deal with subsidized carriers.

The RTA Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA's system as a whole achieves annually a "system generated revenue recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50% of the cost of the transportation services. The Service Boards achieve their required recovery ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has the responsibility to supervise the budgets and financial condition of the CTA, Metra and Pace.

Governmental accounting and financial reporting standards as established by Statement 3 and Interpretation 7, "Defining the Governmental Reporting Entity," issued by the National Council of Governmental Accounting and adopted by the Governmental Accounting Standards Board, require disclosure in the notes of governmental financial statements of the results of applying Statement 3 and Interpretation 7 criteria to specific affiliated organizations. The assets, liabilities, revenues, and expenditures (or expenses as appropriate) of all affiliated organizations determined under Statement 3 and Interpretation 7 to be part of a governmental reporting entity generally must be included on the face of its financial statements. Thus, it is necessary to determine whether Metra, Pace and the CTA are part of the RTA Statement 3 and Interpretation 7 reporting entity.

The basic Statement 3 and Interpretation 7 criteria for determining whether an affiliated organization is part of a governmental reporting entity is the exercise of oversight responsibility. Statement 3 and Interpretation 7 set forth various manifestations of oversight responsibility (responsibility for financing deficits, entitlements to surpluses, guarantees of "moral responsibility" for debt, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, etc.) which indicate that an affiliated organization should be included within the Statement 3 and Interpretation 7 reporting entity.

Statement 3 and Interpretation 7 provide that an affiliated organization generally should be included within a governmental reporting entity, regardless of the degree of oversight responsibility, if its activities are (1) for the benefit of the reporting entity and/or its residents, (2) conducted within the geographic boundaries of the reporting entity, and (3) generally available to the citizens of the reporting entity.

In the judgement of RTA management and with the concurrence of the RTA's auditors, analysis and application of Statement 3 and Interpretation 7 criteria indicates that, while the RTA does exercise some fiscal oversight, Metra, Pace and the CTA are not part of the RTA reporting entity for purposes of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards. Accordingly, financial statements for Metra, Pace and the CTA are not included or combined with the RTA's financial statements in this report. They are combined, however, in the Pro Forma Combining Annual Financial Report. The Pro Forma Combining Annual Financial Report is a statutorily required report and is not required under governmental accounting and financial reporting standards.

In arriving at this conclusion, the following factors were considered:

- The CTA, Metra and Pace maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters including: ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The CTA, Metra and Pace are also responsible for the purchase of services and approval of contracts relating to their operation.
- Except for the Chairman of the CTA Board of Directors who is also an RTA Board member, the boards of directors of each service division are completely independent of the RTA Board. The RTA Board has control neither in the selection nor appointment of any Service Board director nor of any of its management. Further, directors of the CTA, Metra, and Pace are excluded from serving on more than one entity's board of directors, including that of the RTA.
- Metra, Pace and the CTA provide services to different geographic areas within the six county region. Metra provides transit service to the six county area with the majority of the transit riders residing in the suburban metropolitan area and commuting into the City of Chicago. Pace's primary service area is the suburban communities with limited service to areas within the City of Chicago. The CTA provides service to the City of Chicago and thirty-eight neighboring suburbs within Cook County. Although programs are underway to increase the transfer of ridership between the service entities, trips of this type presently represent a minority of those taken.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the RTA conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

A. Fund Accounting

The accounts of the RTA are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. RTA resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be utilized and the means by which spending activities are controlled. In the financial statements, the various funds are grouped into three broad fund types and five generic fund categories as shown below.

GOVERNMENTAL FUND TYPES

RTA governmental fund types consist of the General Fund, Debt Service Fund and Capital Projects Fund. The measurement focus is based upon determination of changes in financial position, rather than upon income determination.

General Fund

The General Fund is the general operating fund of the RTA. It is used to account for all financial transactions that are not specifically required to be accounted for in another fund.

Debt Service Fund

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The RTA general ordinance also established a Debt Service Reserve Fund to be maintained by the Trustee for the sole benefit of the holders of bonds, and to be applied and used solely for the payment of bond principal and interest. The Debt Service Funds and the Debt Service Reserve Fund are combined for financial statement presentation.

Capital Projects Fund

The Capital Projects Fund was established when 1990A Bonds of \$100 million were issued in 1990 for capital projects of the Service Boards. The proceeds will be allocated by the RTA as follows: 50% for capital projects of the CTA; 45% for capital projects of Metra; and 5% for capital projects of Pace. Projects included in any approved five-year capital program will be eligible for reimbursements by the RTA without further review or action by the RTA Board of Directors.

PROPRIETARY FUND TYPE

Proprietary funds are used to account for activities that are similar to those found in the private sector and to account for the financing of goods or services provided by a department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost reimbursement basis. The RTA has one proprietary (internal service) fund which relates to the activities of the Joint Self-Insurance Fund.

Joint Self-Insurance Fund

The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage and other claims incurred by the Service Boards and the RTA and arising out of personal injuries, property damage and certain other losses. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay principal or interest on the Series 1986A Bonds which were issued to establish the Joint Self-Insurance Fund.

To date, the Fund has made one payment in 1990 and has an additional reserve established for a potential claim. These amounts are also recorded as receivables to the Fund because the Fund will be reimbursed by the related Service Board. These claims, as well as existing unsubmitted claims and incurred but not reported reserves, have been recorded on the books of the Service Boards.

FIDUCIARY FUND TYPE

Fiduciary funds account for assets held by a governmental entity in a trustee capacity or as an agent for others. The RTA's fiduciary fund consists of an Agency Fund. Because agency funds are custodial in nature (assets equal liabilities), they do not involve the measurement of results of operations.

Agency Fund

The Agency Fund records the receipt and disbursement of the Retailers' Occupation and Use Tax (sales tax) and the interest on this tax due to the CTA, Metra and Pace. Required sales tax revenues are accrued in the Agency Fund and are equally offset by a liability to the Service Boards. For purposes of the budget, additions to and disbursements from the Agency Fund are considered to be revenues and expenditures, respectively. In accordance with generally accepted accounting principles for governmental entities, these are additions to and deductions from Agency Fund assets and liabilities, respectively.

B. Fixed Assets and Long-Term Liabilities

Account groups are used to establish accounting control and accountability for fixed assets and long-term liabilities. Account groups are not funds and, therefore, are not involved in the measurement of the results of operations. The following are the RTA's account groups:

General Fixed Assets Account Group

Fixed assets used in governmental-fund-type operations are accounted for in the General Fixed Assets Account Group, rather than governmental funds. Depreciation is not recognized in accordance with standard governmental accounting practices. General fixed assets are acquired for the purpose of providing governmental services at the RTA and not for the production of services that are sold.

General Long-Term Debt Account Group

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. RTA use of this account group relates to bonds sold in 1986 to establish a Joint Self-Insurance Fund for transit operations and bonds sold in 1990 to establish a capital projects fund.

The entire liability for compensated absences is recorded in the General Fund, since, with the exception of an immaterial amount, these will be liquidated with currently available resources.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

All governmental funds and the Agency Fund are accounted for using the modified accrual basis of accounting, i.e. revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred. Sales taxes are considered measurable when levied by the State and collected by the retailer. Sales taxes are considered available when received in time to finance current obligations. Sales tax revenues are recorded when they are both measurable and available.

Proprietary funds are accounted for using the accrual basis of accounting. Therefore, revenues are recognized when earned and measurable, and expenses are recognized when they are incurred.

D. Assets, Liabilities and Fund Equity

ASSETS

Cash and Investments

All excess General Fund cash is invested and earnings are credited to the General Fund for use in financing general RTA operations. (A detailed analysis of cash and investments is presented in Note 6).

Receivables

Accounts receivable include amounts due from local and state governments for sales taxes and specific programs and projects.

Restricted Assets

Proceeds from debt and amounts set aside for payment of proprietary fund general obligation debt are classified as restricted assets since their use is limited by bond indenture.

Fixed Assets

General fixed assets are acquired for the purpose of providing governmental services at the RTA and not for the production of services that are sold. When purchased, such assets are recorded as expenditures in the General Fund and capitalized in the General Fixed Assets Account Group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

LIABILITIES

Accrued Operating Assistance and Capital Assistance Payable

These amounts represent the accrued financial assistance and capital grants due to the Service Boards at December 31, 1990.

Accrued Other Expenses

These amounts represent short-term payables accrued at year-end. Compensated absences which are reported within this category represent the liability for employees' vested vacation at year-end.

FUND EQUITY

Fund Balance

Portions of the fund balances of the general and debt service funds are reserved by the RTA for specific purposes as follows:

Reserved for 1987 and prior budgeted capital and Reserved for 1988 thru 1990 budgeted capital represent that portion of the RTA's fund balance to provide the local share of federal and state funded capital projects and to fund those projects not funded by another source. The related cash to cover projects for, and prior to, 1987 has been restricted by RTA Board action.

Reserved for debt service represents the portion of fund balance for debt service resources legally restricted for the payment of long-term debt principal and interest amounts maturing in future years.

Contributed Capital

Contributed capital is the amount of permanent fund capital contributed to the Joint Self-Insurance Fund from the proceeds of the bond issue and includes deposits made directly to the fund since its inception.

E. Revenues

The RTA has four principal sources of revenue and other financing sources: (1) retailers' occupation taxes, service occupation taxes, and use taxes (collectively, "Sales Taxes"); (2) funds appropriated to the RTA by statute through the State's Public Transportation Fund established under the RTA Act (the Act); (3) funds in respect of state or federal grants, loans, or any other such funds, which the RTA is authorized to apply for and receive under the Act; and (4) investment income on unexpended funds held by the RTA.

Intergovernmental grant revenues are recognized when qualifying expenditures have been incurred in accordance with the grant award.

TAXES

The RTA Sales Tax currently imposed by the RTA consists of (i) in Cook County, (a) a tax of 1% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a "Food and Drug Tax") and (b) a tax of .75% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of .25% of the gross receipts from all taxable retail sales (together with (i) (b), a "General Sales Tax"); and (iii) a tax of .75% on the use in Cook County, and .25% on the use in Northeastern Illinois other than Cook County, of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a "Use Tax"). The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a "Service Occupation Tax").

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State of Illinois to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly, without appropriation, by the State Treasury on the order of the State Comptroller directly to the RTA.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the General Sales Tax, Use Tax and Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the "Sales Tax Reform Act") aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax were increased from 5% to 6.25% and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1% to .75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State but registered or titled with a State agency within the State (i.e., .25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Ten percent of the money paid into the Reform Fund is then transferred into the Replacement Fund.

The Act provides that the RTA withhold 15% of the tax revenues generated and that these revenues are deposited into the RTA's General Fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85% of sales tax is allocated to the Service Boards as follows:

<u>Service Board</u>	<u>Collected Within Chicago</u>	<u>Collected Within Cook County Outside Chicago</u>	<u>Collected in DuPage, Kane, Lake, McHenry and Will Counties</u>
CTA	100%	30%	-
Metra	-	55%	70%
Pace	-	15%	30%

The RTA recognizes as a receivable and revenue in the General Fund only the 15% of the total sales taxes collected to which it is entitled by the amended Act. The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

PUBLIC TRANSPORTATION FUND (PTF)

In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's general revenue fund to a special fund in the State Treasury designated the "Public Transportation Fund" an amount equal to 25% of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes) imposed by the Board. These amounts may be paid to the RTA only upon State appropriation. The State has approved an appropriation from the PTF through its 1991 fiscal year which will end June 30, 1991.

None of the revenues from the PTF are payable to the RTA unless and until it certifies to the Governor, State Comptroller, and Mayor of the City of Chicago that the RTA has adopted a budget and financial plan as called for by the Act.

The amounts allocable to each of the Service Boards from funding received by the RTA from the State's PTF are allocated at the discretion of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided that the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

FEDERAL OPERATING ASSISTANCE GRANT

A grant is provided to the RTA under Section 9 of the Federal Urban Mass Transportation Act (UMTA). The revenue is recognized on the modified accrual basis in the year funds are actually received based upon final approval of the grant. All funds received under this grant are "passed through" to the Service Boards.

REDUCED FARE REIMBURSEMENT

The Legislature appropriated funds for a program under which the Illinois Department of Transportation (IDOT) is authorized to provide to the RTA a reduced fare reimbursement grant of \$36 million for the purpose of reimbursing the Service Boards for actual revenue losses attributable to reduced fares for students, handicapped persons and the elderly covering a period between July 1, 1990 and June 30, 1991. The revenue is recognized on the modified accrual basis when the amount is requested from the IDOT.

F. Expenditures and Expenses

Operating grants consist of financial assistance to the CTA, Metra and Pace. The RTA provides operating assistance to the Service Boards to fund in part their RTA-approved budgets.

Capital grants - local match are those portions of UMTA and IDOT funded capital projects which are funded by the RTA as "local share" for the region.

Capital grants - 100% funded by the RTA are those items not funded by UMTA and/or IDOT, but are completely funded by the RTA.

Metra excess sales tax represents sales tax funding due Metra based on the statutory formula and budgeted sales tax revenues that is in excess of their budgeted operating deficit. These funds are used by Metra for their capital program.

Administration consists of those costs of the RTA incurred to carry out its regional funding and administrative activities. These costs were limited by statute to no more than \$6,379,203 for 1990.

Non-Administration consists of those costs of the RTA which are exempt from the statutory limit. These costs include the operation of the Travel Information Center; program and capital development; and other costs incurred on behalf of the Service Boards.

G. Cash Flows

The Authority has adopted the provisions of the Governmental Accounting Standards Board Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting" in the financial statements for the year ended December 31, 1990. For purposes of the statement of cash flows, the Authority considers all Treasury Bills and Notes to be cash equivalents.

H. "Memorandum Only" Total Columns

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Also, such data is not comparable to a consolidation. Therefore, inter-fund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGET AND BUDGETARY ACCOUNTING

Section 4.01(a) of the Act requires the RTA to prepare and adopt a comprehensive annual budget and program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The budget is comprehensive and includes the activity in all funds except for the Capital Projects Fund.

The annual budget and related appropriation are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles except for capital grants, which are budgeted for on a project basis which normally exceeds one year, and debt service payments which are budgeted as transfers from the General Fund. Expenditures may not exceed budgeted appropriations except by RTA Board approval. All appropriations lapse at year-end. During the year, several supplementary appropriations were passed. It is the policy of the RTA to fund the budgets of the Service Boards, up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

1. The first source of funds to be credited against the budgeted funding amount is from UMTA operating assistance grants;

2. The second source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;
3. The third source of funds to be credited against the budgeted funding amount is from PTF receipts; and
4. The fourth source of funds credited against the budgeted funding amount is from RTA 15% and other discretionary receipts.

For capital expenditures, the payment of PTF funds, 15% funds and other discretionary funds of the RTA shall be made under the terms and conditions of a grant agreement governing such capital expenditures.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The RTA has various operating lease agreements for facilities and equipment. Operating lease expenditures totaled \$550,000 in 1990. Minimum annual rental payments by the RTA are as follows:

<u>Year</u>	<u>Amount (in thousands)</u>
1991	\$539
1992	575
1993	205
1994 and beyond	<u>- 0 -</u>
Total	<u><u>\$1,319</u></u>

The RTA has no capital lease obligations beyond 1990.

The building lease agreement provides that the RTA shall reimburse the lessor for any or all additional expense attributable to the cost of operating and maintaining the premises that the lessor may incur during the term of the lease agreement.

The RTA is a defendant or respondent in various lawsuits and administrative proceedings. A liability of \$2.8 million has been recorded based on pending litigation and claims filed against the RTA. In the opinion of the RTA management, the ultimate resolution of these lawsuits will not have a material effect on the RTA's financial position or its results of operations.

NOTE 5 - LONG-TERM DEBT

Changes during the year in long-term debt were as follows:

	General Obligation 1986A Bonds	General Obligation 1990A Bonds	<u>Total</u>
Long-term obligation at December 31, 1989	\$30,005,000		\$30,005,000
New Issues in June, 1990		\$100,000,000	100,000,000
Current maturities and retirements	<u>(3,640,000)</u>	<u> </u>	<u>(3,640,000)</u>
Long-term obligation at December 31, 1990	<u>\$26,365,000</u>	<u>\$100,000,000</u>	<u>\$126,365,000</u>

1986 GENERAL OBLIGATION BONDS

On November 1, 1986, the RTA issued \$40 million General Obligation Bonds, Series 1986A, to establish a Joint Self-Insurance Fund for the RTA, CTA, Metra and Pace. The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage and other claims above retained limits payable by any of the participants arising out of personal injuries, property damage and certain other losses and damages. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay the principal or interest on the Series 1986A Bonds.

The Series 1986A Bonds will mature on November 1 over a ten-year period and interest will be payable at rates ranging from 4.0% to 6.2% on May 1, 1987 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Principal and interest requirements on the Series 1986A Bonds to maturity are set forth below:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1991	\$3,820,000	\$1,530,735	\$5,350,735
1992	4,025,000	1,330,185	5,355,185
1993	4,245,000	1,108,810	5,353,810
1994	4,485,000	866,845	5,351,845
1995	4,750,000	602,230	5,352,230
1996	<u>5,040,000</u>	<u>312,480</u>	<u>5,352,480</u>
Total	<u>\$26,365,000</u>	<u>\$5,751,285</u>	<u>\$32,116,285</u>

1990 GENERAL OBLIGATION BONDS

On May 1, 1990, the RTA issued \$100 million General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the CTA, Metra and Pace.

The Series 1990A Bonds will mature on November 1 over a thirty-year period and interest will be payable at rates ranging from 6.00% to 7.15% on November 1, 1990 and semi-annually thereafter on May 1 and November 1 in each remaining year.

Principal and interest requirements on the Series 1990A Bonds to maturity are set forth below:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1991	\$1,095,000	\$7,094,188	\$8,189,188
1992	1,160,000	7,028,488	8,188,488
1993	1,230,000	6,957,728	8,187,728
1994	1,310,000	6,880,853	8,190,853
1995	1,390,000	6,798,323	8,188,323
1996	1,480,000	6,709,363	8,189,363
1997	1,575,000	6,613,163	8,188,163
1998	1,680,000	6,509,213	8,189,213
1999	1,790,000	6,395,813	8,185,813
2000	1,915,000	6,274,093	8,189,093
2001	2,045,000	6,141,958	8,186,958
2002	2,185,000	6,000,853	8,185,853
2003	2,340,000	5,847,903	8,187,903
2004	2,505,000	5,682,933	8,187,933
2005	2,685,000	5,505,078	8,190,078
2006	2,875,000	5,313,100	8,188,100
2007	3,085,000	5,103,225	8,188,225
2008	3,310,000	4,878,020	8,188,020
2009	3,550,000	4,636,390	8,186,390
2010	3,810,000	4,377,240	8,187,240
2011	4,085,000	4,102,920	8,187,920
2012	4,380,000	3,808,800	8,188,800
2013	4,695,000	3,493,440	8,188,440
2014	5,035,000	3,155,400	8,190,400
2015	5,395,000	2,792,880	8,187,880
2016	5,785,000	2,404,440	8,189,440
2017	6,200,000	1,987,920	8,187,920
2018	6,645,000	1,541,520	8,186,520
2019	7,125,000	1,063,080	8,188,080
2020	<u>7,640,000</u>	<u>550,080</u>	<u>8,190,080</u>
Total	<u>\$100,000,000</u>	<u>\$145,648,405</u>	<u>\$245,648,405</u>

The Series 1986A and 1990A Bonds are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The Bonds are payable from all revenues and all other funds received or held by the Authority (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations), that lawfully may be used for retiring the debt.

The Bonds are secured by an assignment of and lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the Trustee by officials of the State of Illinois. Any amounts not needed to make the required monthly deposits for the Bonds or other Authority obligations, or for deposit in the Debt Service Reserve Fund, are to be paid monthly to the RTA by the Trustee.

Under the RTA Act, the CTA, Metra, and Pace’s farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, \$5,132,546 is available to service the Authority's long-term debt as of December 31, 1990. The remaining balance in this fund is reserved for interest payments.

NOTE 6 - CASH AND INVESTMENTS

The captions on the combined balance sheet related to cash and investments and the amounts in the Total (Memorandum Only) column are as follows:

Deposits	\$ 11,162,417
Investments	<u>293,252,490</u>
Total Deposits & Investments	<u>\$304,414,907</u>

Deposits & Investments

Section 702.20(ii) of the RTA Act authorizes the Authority to invest any funds or monies not required for immediate use or disbursement. The applicable statutory provisions governing the investment of public funds are found in Ill. Rev. Stat. Ch. 85, Sec. 901, et. seq.

The Authority passed an investment policy in November, 1987 which was revised in December, 1989 and May, 1990. This policy is in accordance with the Illinois statutes and allows the RTA to invest in 1) certain obligations of the U.S. Government and its agencies; 2) interest-bearing certificates of deposit, interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; 3) short term obligations of corporations organized in the United States with assets exceeding \$500 million and rated within the highest classification established by at least two standard rating services; 4) certain money market mutual funds; 5) State Treasurer’s investment pool; 6) repurchase agreements; and 7) bankers acceptances.

Deposits

At year-end, the carrying amount of the Authority's deposits was \$11,162,417 and the bank balance was \$11,377,912. Of the bank balance, \$10,911,562 was covered by Federal Depository Insurance or collateral held by the Authority's agent in the Authority's name. The remaining balance of \$466,350 was uninsured and uncollateralized.

Investments

The Authority's investments are insured, collateralized, registered or are held by the Authority or its agent in the Authority's name. The Authority held the following investments as of December 31, 1990:

<u>Investments</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Commercial Paper	\$10,553,405	\$10,700,000
U.S. Treasury Issues	221,625,842	226,386,880
Repurchase Agreement	<u>61,073,243</u>	<u>64,126,905</u>
Total Investments	<u>\$293,252,490</u>	<u>\$301,213,785</u>

NOTE 7 - FIXED ASSETS

The following is a summary of changes in the General Fixed Asset Account Group during the fiscal year:

	<u>Balance 1-1-90</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12-31-90</u>
Equipment	<u>\$2,941,510</u>	<u>\$1,939,923</u>	<u>\$10,496</u>	<u>\$4,870,937</u>

NOTE 8 - DEFERRED COMPENSATION

The deferred compensation plan is an arrangement which permits RTA employees, on a voluntary basis, to authorize a portion of salary withheld through payroll deduction. The deductions are forwarded to the Plan Administrator for investment on behalf of the employees. Neither the amount withheld nor earnings on the investments are subject to current federal income tax.

As of December 31, 1990, thirty-six RTA employees participated in the Plan. The Plan is administered by a third party administrator and has a value of \$520,000 and \$647,000 for active and inactive employees, respectively.

NOTE 9 - PENSION

The RTA participates, along with Metra and Pace, in a multi-employer noncontributory defined benefit cost-sharing pension plan and trust (RTA Pension Plan and Trust), covering substantially all employees not otherwise covered by a union pension plan. Responsibilities for administering the Plan are divided among a Board of Trustees, a Retirement Committee, a Plan Administrator, and the RTA Board of Directors. The Plan is classified as a "governmental plan" and is, therefore, generally exempt from the provision of the Employee Retirement Income Security Act of 1974. The Plan operates on a calendar fiscal year.

Separate employer contribution accounts were set up for the RTA, Metra and Pace. Contribution expense is accrued by the RTA, Metra and Pace concurrent with the establishment of each employer/employee account.

The Plan provides normal early retirement and disability benefits determined as a percentage of the participant's average annual compensation in the three completed plan years of highest compensation. Prior service credits are provided to participants employed prior to July 1, 1984 who were employed on a full-time basis prior to their employment with the RTA by another governmental entity or by certain providers of transportation services. (Prior service credits for participants employed after June 30, 1984 were eliminated with the 1984 amendments to the Plan).

Prior to July 1, 1979 contributions were made on the basis of non-actuarial estimates. The Plan's initial actuarial study found that those estimates were in excess of actuarial requirements. As a result, pension expense is being reduced by amortization of the excess over 20 years. (Prior to 1985, the excess was amortized over a ten year period).

Funding requirements for the Plan are made by an independent actuary. Assets are valued recognizing a portion of both realized and unrealized gains and losses in order to avoid wide swings in actuarially determined funding requirements from year to year. Certain directors and persons hired after age 60 are allowed to participate in the Plan. 100% vesting occurs after five years service and benefit accruals are provided for participants over age 65. An employee may retire after age 55 and receive reduced benefits. There were no assets of the Plan included in the RTA's financial statements.

As of the latest valuation date of December 31, 1989, actuarial assumptions related to interest assume an 8% annual compounded rate of return on investments, and assumptions for salary increases assumed a 6% compounded rate. This valuation is also based upon 737 active participants in the Plan at December 31, 1989, of which 75 are employed by the RTA. The RTA contribution allocation as determined by the Plan Administrator for 1990 was 10.48% of the contribution requirements for all employers participating in the Plan. The total RTA payroll for the year ended December 31, 1989 was \$3.1 million; of this amount, \$2.8 million represented earnings of employees covered by the Plan. The contribution requirement for 1990 was \$269,200 (9.6% of the 1989 covered payroll). During 1990, the RTA paid \$197,100 (7.0% of the 1989 covered payroll) to the Plan.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the RTA Pension Plan and Trust funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The Plan does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at December 31, 1989, (the latest valuation available) for the Plan as a whole, determined through an actuarial valuation performed as of that date, was as follows:

Total pension benefit obligation	\$25,028,152
Net assets available for benefits (at cost)	<u>24,280,263</u>
Unfunded pension benefit obligation	<u>\$747,889</u>

Historical trend information showing the Plan's progress in accumulating sufficient assets to pay benefits is available in the audited financial statements of the Plan for the year ended December 31, 1989.

NOTE 10 - INTER-FUND ASSETS/LIABILITIES

The amounts due from/to other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects	\$59,601
General	Joint Self-Insurance	1,178,450
Joint Self-Insurance	General	<u>66,379</u>
Total		<u>\$1,304,430</u>

NOTE 11 - DUE FROM METRA

An agreement dated July 14, 1987 between the RTA and Metra stipulates that Metra would repay the RTA the principal sum of \$67.9 million in ten equal annual installments, without interest, beginning December 31, 1988, with final payment due December 31, 1997. In September 1987, Metra repaid RTA \$11.8 million with the UMTA grants which were used to retire a portion of the General Obligation Notes. The RTA forgave \$3.9 million of this receivable and accordingly made the corresponding balance of the General Obligation Note repayment with its own financial resources. Metra repaid \$6.79 million in January, 1989 and January, 1990, respectively. The remaining receivable from Metra at December 31, 1990 is \$38.62 million.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN GENERAL FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

	Reserved for		Available for Current Appropriations	Total
	1987 and Prior Budgeted Capital	1988 thru 1990 Budgeted Capital		
Balance December 31, 1989	\$40,834,418	\$122,960,025	\$36,453,447	\$200,247,890
Excess of revenues and other financing sources over expenditures and other financing uses			23,858,187	23,858,187
Additional reserves from 1990 budget		52,954,554	(52,954,554)	
Grants to service divisions - transferred to reserves	(8,265,250)	(29,690,434)	37,955,684	
Balance December 31, 1990	<u>\$32,569,168</u>	<u>\$146,224,145</u>	<u>\$45,312,764</u>	<u>\$224,106,077</u>

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
OF THE AGENCY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990

	Balance December 31, 1989	Additions	Deductions	Balance December 31, 1990
ASSETS:				
Retailers' occupation and use tax (sales tax) receivable	\$70,616,641	\$377,493,508	\$370,643,162	\$77,466,987
Interest on sales tax	<u>211,046</u>	<u>1,102,634</u>	<u>1,182,419</u>	<u>131,261</u>
Total Assets	<u>\$70,827,687</u>	<u>\$378,596,142</u>	<u>\$371,825,581</u>	<u>\$77,598,248</u>
LIABILITIES:				
Sales tax distribution due to Service Boards	\$70,616,641	\$364,997,062	\$358,146,716	\$77,466,987
Interest on sales tax due to to Service Boards	<u>211,046</u>	<u>1,102,634</u>	<u>1,182,419</u>	<u>131,261</u>
Total Liabilities	<u>\$70,827,687</u>	<u>\$366,099,696</u>	<u>\$359,329,135</u>	<u>\$77,598,248</u>

**REGIONAL TRANSPORTATION AUTHORITY
COMBINING STATEMENT FOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1990**

ASSETS:			
Cash and investments			
Accrued interest			
Total Assets			
LIABILITIES:			
Due to other funds			
Total Liabilities			
FUND EQUITY:			
Reserved for debt service			
Current			
Long-term			
Total Fund Equity			
Total Liabilities and Fund Equity			
REVENUES AND OTHER FINANCING SOURCES:			
Investment income			
Transfer in - Principal			
Transfer in - Interest			
Total Revenues and Other Financing Sources			
EXPENDITURES AND OTHER FINANCING USES:			
Debt service - principal			
Debt service - interest			
Total Expenditures and Other Financing Uses			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			

STATISTICAL SECTION

STATEMENT OF REVENUES AND EXPENDITURES FOR ALL FUNDS (IN THOUSANDS)

LAST TEN FISCAL YEARS
(IN THOUSANDS)

REVENUES:	12 Months Ended 09/30/81**	12 Months Ended 09/30/82**	15 Months Ended 12/31/83	12 Months Ended 12/31/84***	12 Months Ended 12/31/85**	12 Months Ended 12/31/86	12 Months Ended 12/31/87	12 Months Ended 12/31/88	12 Months Ended 12/31/89	12 Months Ended 12/31/90
State public transportation fund:			\$18,750	\$98,600	\$84,830	\$90,264	\$95,895	\$102,701	\$107,294	\$110,855
Operating assistance grant	-	-	-	-	-	-	-	-	16,090	39,646
State reduced fare reimbursement	-	-	-	-	-	-	-	-	-	-
Retailers' occupation and use tax	\$274,123	\$278,470	376,613	328,377	342,441	368,579	386,439	418,752	429,988	444,110
(sales tax)	1,353	655	504	349	-	169	337	-	88	60
Public transportation tax (gas tax)	30,819	72,427	70,582	46,323	57,931	56,286	52,000	48,848	49,602	49,947
Federal operating assistance grants	-	-	-	-	-	-	-	-	-	-
Contribution from the City of Chicago	5,000	5,000	3,750	-	-	-	-	-	-	-
and Cook County*	-	20,000	15,000	-	-	-	-	-	-	-
Federal special rail grant	-	802	1,381	538	520	-	280	80	6	98
Other federal grants	499	-	-	-	-	2,496	1,272	596	136	-
Mobility Limited grant	-	-	8,650	5,430	7,644	14,274	12,777	11,568	14,940	23,826
Interest	5,247	5,387	1,048	-	-	402	-	-	-	-
Sales of tax benefits	1,430	2,807	2,487	1,025	709	-	2,871	1,273	1,605	1,312
Other	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	318,471	385,548	498,765	480,642	494,075	532,470	551,534	584,155	619,749	669,854
EXPENDITURES:										
Financial assistance provided to:										
Chicago Transit Authority	279,075	229,965	309,213	246,825	290,292	294,270	285,853	309,799	321,297	335,130
Commuter Rail Division	68,574	49,670	101,755	102,848	106,696	120,932	124,260	125,509	125,168	135,196
Suburban Bus System	34,092	27,078	42,329	38,639	42,572	48,656	48,690	49,454	50,413	53,485
Prior year budget variance	-	-	-	-	-	38,131	3,533	-	-	-
New Initiatives	-	-	-	-	-	-	-	-	1,463	1,648
Reduced fare reimbursement	-	-	-	2,294	2,420	2,561	2,228	2,165	16,090	39,646
Travel Information Center	2,390	2,008	2,477	7,715	4,231	4,258	4,757	2,585	2,800	2,800
Administration	12,757	14,054	14,316	1,706	1,595	9,077	2,738	4,744	4,315	4,845
Other regional costs	4,441	3,191	8,954	1,467	2,275	5,594	7,389	2,590	3,995	3,522
Interest	-	-	-	-	13,170	14,454	13,103	5,136	3,831	4,432
Capital grants	-	-	-	-	-	-	18,895	30,184	40,110	93,838
Debt retirement	-	-	-	-	4,425	1,943	23,325	23,325	35,675	3,640
Other	-	-	-	-	-	-	2,457	1,666	2,116	5,652
Total expenditures before depreciation	401,329	325,966	479,101	401,494	467,676	539,876	513,903	554,572	607,058	683,834
Depreciation	11,087	12,901	21,407	20,854	-	-	-	-	-	-
TOTAL EXPENDITURES	412,416	338,867	500,508	422,348	467,676	539,876	513,903	554,572	607,058	683,834
Net Revenues (Expenditures)	\$ (93,945)	\$46,681	\$ (1,743)	\$58,294	\$26,399	\$ (7,406)	\$37,631	\$29,583	\$12,691	\$ (13,980)

* Starting July 1, 1983 these contributions were made directly to the Chicago Transit Authority.

** Restated, see Note 3 to fiscal 1983 financial statements.

*** This pro-forma statement of revenues and expenditures is presented only for information and comparative purposes.

As discussed in Notes 1 and 2 of the 1984 financial statements, the restructured RTA has adopted the governmental fund model.

SALES TAX REVENUES SOURCE BY COUNTY/CITY OF CHICAGO

DISTRIBUTION OF REVENUES

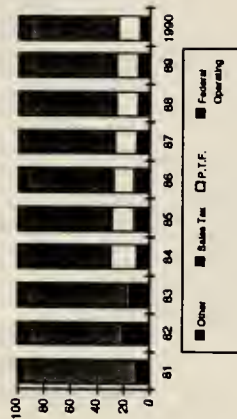
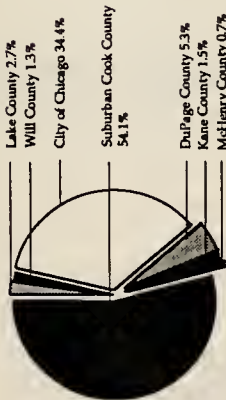
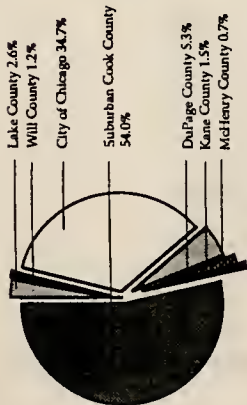
DISTRIBUTION OF EXPENSES

1989

1990

1981-1990
(Percentage)

1981-1990
(Percentage)



RETAILERS' OCCUPATION AND USE TAX (SALES TAX) REVENUES BY COUNTY

LAST EIGHT FISCAL YEARS
(IN THOUSANDS)

Location of Retailer	15 Months Ended 12/31/83	12 Months Ended 12/31/84	% of Total	12 Months Ended 12/31/85	% of Total	12 Months Ended 12/31/86	% of Total	12 Months Ended 12/31/87	% of Total	12 Months Ended 12/31/88	% of Total	12 Months Ended 12/31/89	% of Total	12 Months Ended 12/31/90	% of Total
City of Chicago	\$147,532	\$119,322	39.17	\$123,955	36.34	\$132,201	35.87	\$136,920	35.43	\$146,037	34.87	\$149,095	34.67	\$152,611	34.36
Suburban Cook County	191,761	175,446	50.92	182,773	53.43	197,363	53.54	207,453	53.68	226,332	54.05	232,262	54.02	240,429	54.14
DuPage County	17,528	15,737	4.66	16,993	4.79	18,615	5.05	19,769	5.12	21,845	5.22	22,734	5.29	23,615	5.32
Kane County	4,948	4,431	1.31	4,615	1.35	4,927	1.34	5,427	1.41	5,927	1.42	6,201	1.44	6,448	1.45
Lake County	8,174	7,452	2.17	7,936	2.27	8,798	2.39	9,696	2.51	10,702	2.56	11,314	2.63	11,997	2.70
McHenry County	2,235	2,152	0.59	2,088	0.65	2,305	0.63	2,524	0.65	2,867	0.68	3,059	0.71	3,302	.74
Will County	4,435	3,837	1.18	4,081	1.17	4,370	1.18	4,650	1.20	5,042	1.20	5,323	1.24	5,708	1.29
Total retailer's occupation and use tax (sales tax) revenue	\$376,613	\$328,377	100.00	\$342,441	100.00	\$368,579	100.00	\$386,439	100.00	\$418,752	100.00	\$429,988	100.00	\$444,110	100.00

SERVICE DIVISION OPERATING CHARACTERISTICS

CHICAGO TRANSIT AUTHORITY

- Serves the City of Chicago and 38 neighboring suburbs

Rapid Transit

- 249 miles of track
- 143 stations served
- 1,216 rapid transit cars
- 1,968 daily train departures
- 12.2 million riders per month

Motor Bus

- 133 bus routes
- 2,170 buses
- 35.2 million riders per month

Paratransit

- 200 non-CTA owned private operated vehicles
- 75 thousand riders per month

METRA COMMUTER RAIL DIVISION

- 1,200 miles of track
- 233 stations
- 135 locomotives
- 684 passenger cars
- 206 electric cars
- 3,652 trains operated per week
- 96.5% on-time performance in 1990
- 6.0 million riders per month

PACE SUBURBAN BUS DIVISION

Fixed Route

- 139 regular routes
- 86 feeder routes
- 200 communities served
- 98 commuter rail and rapid transit stations served
- 515 vehicles in use during peak periods*
- 3.2 million riders per month

Paratransit

- 47 local services
- 154 Pace owned lift-equipped buses in service
- 160 taxis and other non-Pace owned vehicles in service
- 117 thousand riders per month

*Includes Contract Carriers

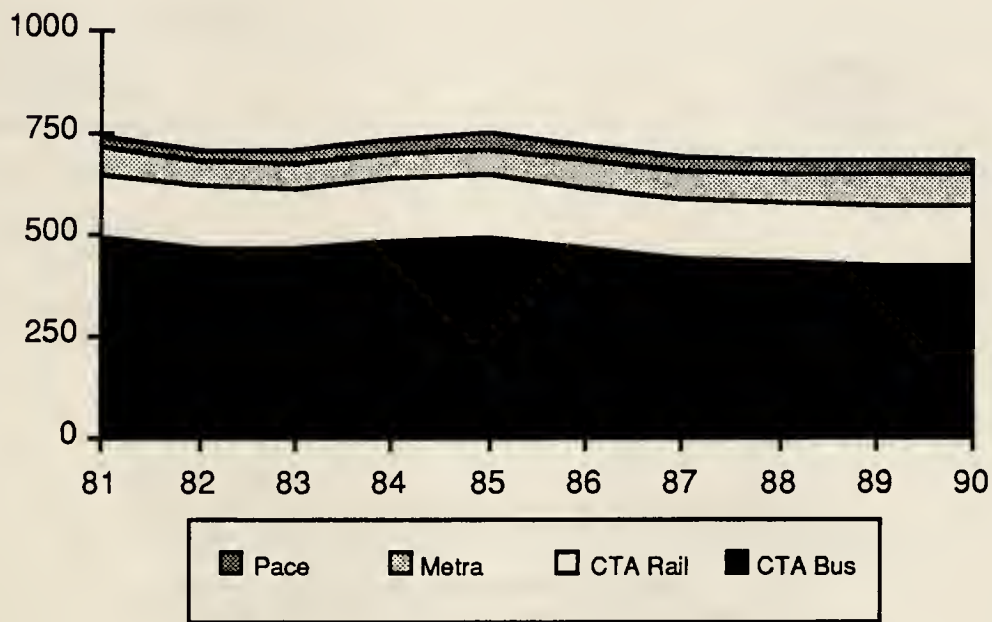
ALLOCATION OF CAPITAL FUNDS TO NORTHEAST ILLINOIS

SECTIONS 3, 9 AND 23
(IN MILLIONS)

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	City of Chicago	RTA
1981	\$220.63	\$100.47	\$72.36	\$19.80	\$28.00	-0-
1982	204.85	109.05	89.10	6.70	-0-	-0-
1983	278.45	167.40	101.95	9.10	-0-	-0-
1984	269.96	157.90	76.56	35.50	-0-	-0-
1985	231.40	141.20	75.40	14.80	-0-	-0-
1986	237.36	141.45	77.20	18.19	-0-	\$0.52
1987	243.30	142.90	84.20	16.20	-0-	-0-
1988	245.72	154.18	72.93	18.61	-0-	-0-
1989	270.17	165.89	84.34	19.94	-0-	-0-
1990	172.57	113.34	42.46	16.76	-0-	-0-
Total	\$2,374.41	\$1,393.78	\$776.50	\$175.60	\$28.00	\$0.52

SYSTEM RIDERSHIP (IN MILLIONS)

1981-1990
(IN MILLIONS)



UNLINKED PASSENGER TRIPS

LAST TEN CALENDAR YEARS
(IN MILLIONS)

Service Consumed:	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
CTA	643.3	616.1	614.6	638.2	644.4	610.9	586.3	574.9	568.6	569.9
Commuter Rail	70.4	60.5	59.2	62.1	64.5	64.6	66.7	69.9	71.2	72.2
Suburban Bus	27.4	27.7	31.2	36.1	38.4	36.1	35.6	36.7	37.9	40.3
Total	741.1	704.3	705.0	736.4	747.3	711.6	688.6	681.5	677.7	682.4
Percent Change	(9.3%)	(5.0%)	0.1%	4.5%	1.5%	(4.8%)	(3.2%)	(1.0%)	(.6%)	.7%

LEGAL DEBT CAPACITY

1990

LEGAL DEBT MARGIN:

Debt limitation per Act for General Obligations		\$1,000,000,000
Debt applicable to limitation:		
1986A General Obligation Bonds	\$26,365,000	
1990A General Obligation Bonds	100,000,000	
Less: Amount available for repayment	<u>(5,132,546)</u>	
Total debt applicable to limitation		<u>121,232,454</u>
Debt Margin for General Obligations		878,767,546
Debt limitation per Act for Working Cash Notes		<u>100,000,000</u>
TOTAL LEGAL DEBT MARGIN		<u>\$978,767,546</u>

REVENUE TEST:

Sales Tax must be 1.5 times greater than debt service requirements

Revenues available must be 2.0 times greater than debt service requirements

Debt Service Requirements for 1990 were \$8,847,594

1.5 x \$8,847,594 = \$13,271,391 vs. \$444,111,009 of Sales Tax

2.0 x \$8,847,594 = \$17,695,188 vs. \$664,974,446 of revenues available

8/4/2008

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